

Approved For Release 2002/01/04 : CIA-RDP83-00036R001100030028-6

MEMORANDUM OF CONVERSATIONS

SUBJECT: Economic Intelligence

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of categories and that to be supplemented by case problems. Dr. [REDACTED] stated that he looked particularly to CRE for this specific guidance.

4. In the course of discussion I mentioned, particularly for the benefit of CRE experts, that I would like to invite them, when thinking on these problems, to consider the matters in terms of work in the field, either by OSO or by OPC, and to give thought to the appropriate character of specific orders which might properly go to field stations on economic matters.

5. There was considerable discussion of the degree of indeterminateness in expressions of national policy and of the lack of a clear coordinated organization of objectives in the body of expressed national policy. Comment was made that the national policy can be found in a great many segments, some of which conflict with one another. Therefore, proponents of one policy can cite that their position is the national policy and proponents of a policy in some degree in conflict can truly hold their position as being a national policy of record. It was held self-evident that until we got something better in terms of a body of coordinated policy, many elements of the U.S. Government will individually have to make their own decisions and expose them to correction. When no correction is forthcoming to proceed. Dr. [REDACTED] said, not having been guided externally for the past six years, OSO has made its own decisions to a great degree as to what it should collect. Emphasis was given guidance needed in the collection of economic information, particularly concerning the procurement of materials and goods by the USSR and satellites thought connected with stockpiling which presumably would reflect USSR intentions. The representatives of the Economics Division, CRE, agreed that USSR expenditures for imports of materials showed the greatest proportion was for four commodities - rubber, cotton, tin and industrial diamonds. Therefore, they assumed that, insofar as USSR requires materials for strategic stockpiling for preparation for war, these 4 should get the most emphasis.

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6. Mr. [REDACTED] expressed an interest in speaking further with me.

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7. Dr. [REDACTED] extended to me an invitation to come and speak with him at any time about any matter of mutual interest. I extended to him the invitation to show no hesitancy or reluctance to pass on to us any ideas he may have pertinent to our work.

8. After returning from the meeting I spoke with both EXO and DEKO. I expressed the opinion that we should work with full openness respecting potential OPC operations with those experts in CRE concerning operations pertaining to their particular fields of

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specialization - to be free to disclose to them possible specific operations we might have in mind. I recalled how they had continued to react to our expressions of interest in, and need for, information by saying that they had the feeling that they could be of more help if a more concrete idea of what was being contemplated could be disclosed. EXO said he saw no reason why such an arrangement could not be made. DEKO suggested we use the new liaison control mechanism to render such arrangements official. I propose to have written on the liaison control forms pertaining to economic work with specific individuals in URS a statement it is planned to disclose to a specified degree our prospective intentions concerning operations pertinent to their particular fields of specialization. These forms will then be "put through channels." Lodgment in the Liaison Control Office without objection will be taken as providing an officially approved arrangement of the character specified. Some potential operation, say, on machine tools, can then be discussed fully with the URS expert on machine tools once the liaison control form to that effect is on file.

9. EXO OPC expressed himself as feeling that this was a most appropriate way for us to obtain cutouts by using the facilities of URS. It is known generally that they prepare estimates and reports and have an interest in collecting information throughout the government. The OPC hand need not be shown. It would seem we have had opened to us quite a potential opportunity.

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cc: CPP
EXO (Mr. [REDACTED] and
Mr. [REDACTED]
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